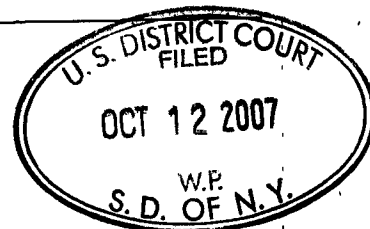




United States Attorney
Southern District of New York

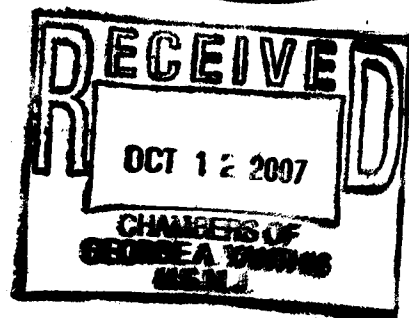
86 Chambers Street, 3rd Floor
New York, New York 10007

October 11, 2007



BY FACSIMILE

The Honorable George A. Yanthis
United States District Judge
United States Courthouse
300 Quarropas Street, Room 533
White Plains, New York 10601-4150



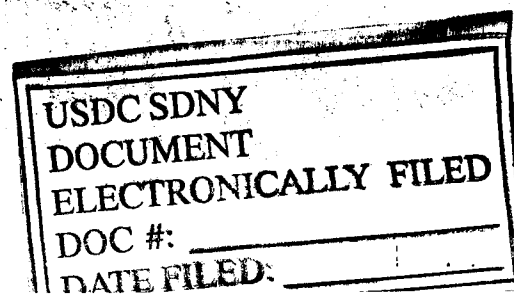
Re: United States v. Bruce Useo, et al.,
No. 05 Civ. 5399 (KMK) (GAY)

Dear Judge Yanthis:

I am the Assistant United States Attorney assigned to represent the United States in the above-referenced foreclosure action, which has been stayed since September 2005 due to the defendants' filing of Chapter 13 bankruptcy, see 11 U.S.C. § 362. As requested by Your Honor's chambers, I write respectfully to provide the Court with a status update regarding this case.

By letter dated September 13, 2005, the Government advised the Court that defendants had filed a voluntary petition for Chapter 13 bankruptcy in United States Bankruptcy Court on September 1, 2005. Upon the request of the Government, the Court thereafter stayed discovery during the pendency of defendants' bankruptcy proceedings. The defendants had not filed an answer to the Government's complaint at the time the case was stayed. By letter dated June 28, 2006, the Government advised the Court that defendants' Chapter 13 Plan had not yet been confirmed by the bankruptcy court. The automatic stay pursuant to 11 U.S.C. § 362 therefore remained in effect, and continued to bar the prosecution of this action.

Our Office has received notice that, upon the request of the Chapter 13 Trustee in the defendants' bankruptcy, the bankruptcy court has entered an Order discharging the debtors after completion of the Chapter 13 Plan. A copy of the bankruptcy court's Order, dated September 10, 2007, is enclosed.



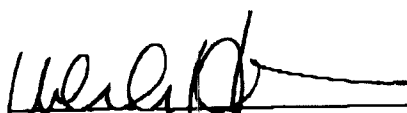
As a result of debtors' discharge in bankruptcy and other relevant considerations, the United States seeks to withdraw the current action without prejudice to refile at a later time. Accordingly, the Government has submitted a stipulation of voluntary dismissal pursuant to Rule 41(a)(1), a copy of which is enclosed.

We thank the Court for its consideration of this matter.

Respectfully submitted,

MICHAEL J. GARCIA
United States Attorney

By:


WENDY H. WASZMER
Assistant United States Attorney
Tel.: (212) 637-2729
Fax.: (212) 637-2717

cc: THE HONORABLE KENNETH M. KARAS (By Federal Express)
United States District Judge
United States Courthouse
300 Quarropas Street, Room 533
White Plains, New York 10601-4150

BRUCE AND MAUREEN USEO, pro se (By Federal Express)
10 James Court
Port Jervis, New York 12711

PAUL L. BANNER, ESQ. (By Federal Express)
Bankruptcy Counsel
Banner & Banner
143 Boardman Road
Poughkeepsie, New York 12603

STEPHEN TOOLE, ESQ. (By Federal Express)
County of Orange Department of Law
Senior Assistant County Attorney
285 Main Street
Goshen, New York 10924

B18W (10/05)

United States Bankruptcy Court**Southern District of New York****Case No. 05-37489-cgm****In re: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):****Maurcen T Useo
10 James Court
Port Jervis, NY 12771****Bruce Useo
aka Bruce A. Usco, aka Bruce A. Usee
10 James Court
Port Jervis, NY 12771****Social Security No.:****xxx-xx-6905****xxx-xx-2988****Employer's Tax I.D. No.:****DISCHARGE OF DEBTOR AFTER COMPLETION
OF CHAPTER 13 PLAN****It appearing that the debtor is entitled to a discharge,****IT IS ORDERED:****The debtor is granted a discharge under section 1328(a) of title 11, United States Code, (the Bankruptcy Code).****BY THE COURT****Dated: 9/10/07****Cecelia G. Morris
United States Bankruptcy Judge****SEE THE BACK OF THIS ORDER FOR IMPORTANT INFORMATION.**

FORM B18W continued (10/05)

EXPLANATION OF BANKRUPTCY DISCHARGE IN A CHAPTER 13 CASE

This court order grants a discharge to the person named as the debtor after the debtor has completed all payments under the chapter 13 plan. It is not a dismissal of the case.

Collection of Discharged Debts Prohibited

The discharge prohibits any attempt to collect from the debtor a debt that has been discharged. For example, a creditor is not permitted to contact a debtor by mail, phone, or otherwise, to file or continue a lawsuit, to attach wages or other property, or to take any other action to collect a discharged debt from the debtor. *[In a case involving community property:* There are also special rules that protect certain community property owned by the debtor's spouse, even if that spouse did not file a bankruptcy case.] A creditor who violates this order can be required to pay damages and attorney's fees to the debtor.

However, a creditor may have the right to enforce a valid lien, such as a mortgage or security interest, against the debtor's property after the bankruptcy, if that lien was not avoided or eliminated in the bankruptcy case. Also, a debtor may voluntarily pay any debt that has been discharged.

Debts That are Discharged

The chapter 13 discharge order eliminates a debtor's legal obligation to pay a debt that is discharged. Most, but not all, types of debts are discharged if the debt is provided for by the chapter 13 plan or is disallowed by the court pursuant to section 502 of the Bankruptcy Code.

Debts that are Not Discharged

Some of the common types of debts which are not discharged in a chapter 13 bankruptcy case are:

- a. Debts that are in the nature of alimony, maintenance, or support;
- b. Debts for most student loans;
- c. Debts for most fines, penalties, forfeitures, or criminal restitution obligations;
- d. Debts for personal injuries or death caused by the debtor's operation of a motor, vessel, or aircraft vehicle while intoxicated;
- e. Debts provided for under section 1322(b)(5) of the Bankruptcy Code and on which the last payment is due after the date on which the final payment under the plan was due; and
- f. Debts for certain consumer purchases made after the bankruptcy case was filed if prior approval by the trustee of the debtor's incurring the debt was practicable but was not obtained.

This information is only a general summary of the bankruptcy discharge. There are exceptions to these general rules. Because the law is complicated, you may want to consult an attorney to determine the exact effect of the discharge in this case.

BAE SYSTEMS**CERTIFICATE OF SERVICE**

Bankruptcy Noticing Center
2525 Network Place, 3rd Floor
Herndon, Virginia 20171-3514

District/off: 0208-4
Case: 05-37489

User: gcolon
Form ID: b18w

Page 1 of 2
Total Served: 62

Date Rcvd: Sep 10, 2007

The following entities were served by first class mail on Sep 12, 2007.

db +Bruce Usoo, 10 James Court, Port Jervis, NY 12771-3143
db +Maureen T Usoo, 10 James Court, Port Jervis, NY 12771-3143
acy Mark S. Nash, Department of Law, County of Orange, County Attorney's Office,
Orange County Government Center, Goshen, NY 10924
acy +Paul L. Banner, Banner & Banner, 515 Haight Avenue, Second Floor, Suite A,
Poughkeepsie, NY 12603-2468
acy +Wendy H. Wazsmer, U.S. Attorney's Office, SDNY, 86 Chambers Street, New York, NY 10007-1825
cr +Jeffrey L. Sapir-13, As Chapter 13 and 12 Trustee, 399 Knollwood Road, Suite 102,
White Plains, NY 10603-1936
ust +United States Trustee, 74 Chapel Street, Albany, NY 12207-2190
cr +Orange County Department of Social Services, 255 Main Street, Goshen, NY 10924-1619
unk +United States Of America, United States Attorney, SDNY, 86 Chambers Street, Civil Division,
New York, NY 10007-1825

3930835 +Allied Data Corp, 13111 Westheimer, Suite 400, Houston, TX 77077-5547
3930836 +Allied Interstate, 800 Interchange West, 435 Ford Road, Minneapolis, MN 55426-1063
3930837 +Bon Secours, 160 East Main Street, Port Jervis, NY 12771-2114
3930839 +CBHV, 155 North Plank Road, P.O. Box 831, Newburgh, NY 12551-0831
3930841 +Citibank Student Loan, P.O. Box 6615, The Lakes, NV 88901-6615
4176946 +ERIN SERVICES CO., LLC, ELTMAN, ELTMAN & COOPER, P.C., 90 WILLIAM ST - SUITE 801,
NEW YORK, NY 10038-5043

3930843 +Erin Services Co., Eltman, Eltman & Cooper, P.C., 845 North Broadway,
White Plains, NY 10603-2403

4147859 +FRONTIER COMMUNICATIONS, KIMBERLY CONJURA, 19 JOHN ST, MIDDLETOWN, NY 10940-4918
3930845 +Financial Recovery Services, P.O. Box 385908, Minneapolis, MN 55438-5908
3930847 +Frontier Communications, P.O. Box 7000, Middletown, NY 10940-8820
3930848 +H & R Block Fee Center, P.O. Box 17155, Baltimore, MD 21297-1155
3930849 +Household Bank, P.O. Box 98706, Las Vegas, NV 89193
3930850 +Hudson PT, Select Medical Corp., P.O. Box 6190, Clearwater, FL 33758-6190
3930851 +James E. Oxley, DO, 26 Firemen's Memorial Drive, Suite 115, Pomona, NY 10970-3569
3930852 +Michael L. Zager, PC, 543 Broadway, P.O. Box 948, Monticello, NY 12701-0948
3930853 +Mid-Hudson Ortho/Sports Med., 78 Cypress Road, Goshen, NY 10924-6814
3930854 +NCO Financial System, 1804 Washington Blvd., Dept. 600, Baltimore, MD 21230-1700
3930855 +NYS Higher Education, 99 Washington Ave, Albany, NY 12255-0001
4146463 +ORANGE REGIONAL MEDICAL CENTER, MICHAEL L. ZAGER, PC, 543 BROADWAY, PO BOX 948,
MONTICELLO, NY 12701-0948

3930856 +Orange County Attorney, Cty Govt Center, 255-275 Main Street, Goshen, NY 10924-1627
3930857 +Orange Cty Dept Social Service, Cty Govt Center, 255-275 Main Street, Goshen, NY 10924-1627
3930858 +Orange Regional Emergency Asso, 26 Fireman's Drive, Suite 115, Pomona, NY 10970
3930859 +Orange Regional Medical Center, Arden Hill Campus, 4 Harriman Drive, Goshen, NY 10924-2499
4120487 +PREMIER BANKCARD, PREMIER/CSI-DEPT SDRP, POST OFFICE BOX 2208, VACAVILLE, CA 95696-8208
4120488 +PREMIER BANKCARD/CHARTER, POST OFFICE BOX 2208, VACAVILLE, CA 95696-8208
3930860 +Peter Roberts & Associates, 231 East Main Street, Suite 2A, Milford, MA 01757-2821
3930861 +Professional Credit Services, P.O. Box 397, Farmingdale, NY 11735-0397
3930863 +Putnam Hospital Center, P.O. Box 5072, White Plains, NY 10602-5072
3930864 +Putnam Imaging Association, P.O. Box 11028, Lancaster, PA 17605-1028
3930865 +Quest Diagnostics, P.O. Box 64196, Baltimore, MD 21264-4183
3930866 +Rayburn Musical Instruments Co, 263 Huntington Avenue, Boston, MA 02115-4506
3930867 +Risk Management Alternatives, 2091 North Central, Suite 1550, Tower 1, Phoenix, AZ 85004
3930868 +Sports Physical Therapy of NY, 7481 Henry Clay Blvd., Liverpool, NY 13088-3595
3930869 +Sprint, 95 James Way, Suite 113, Southampton, PA 18966-3847
3930870 +St. Anthony Community Hospital, 15-19 Maple Avenue, Warwick, NY 10990-1059
3930871 +Systems One Federal Credit Uni, c/o DKY Financial, 13449 32nd Street, Phoenix, AZ 85032
3930872 +Tri-State Medical Association, P.O. Box 219, Matamoras, PA 18336-0219
3930873 +U.S. Attorney's Office, 86 Chambers Street, 3rd Floor, New York, NY 10007-2632
3930875 +Walter E. Kaufmann, 5 Haight Street, Port Jervis, NY 12771-2226

The following entities were served by electronic transmission on Sep 10, 2007

aty +EDI: QPLBANNER.COM Sep 10 2007 16:24:00 Paul L. Banner, Banner & Banner,
515 Haight Avenue, Second Floor, Suite A, Poughkeepsie, NY 12603-2468
4125765 +EDI: CAPITALONE.COM Sep 10 2007 16:23:00 CAPITAL ONE BANK, C/O TSYS DEBT MANAGEMENT,
PO BOX 5155, NORCROSS, GA 30091-5155
3962676 +EDI: TSYS2.COM Sep 10 2007 16:24:00 CHARMING SHOPPES - FASHION BUG, FIRST EXPRESS,
P.O. BOX 856021, MILFORD, OH 45150-6021
3930838 +EDI: CAPITALONE.COM Sep 10 2007 16:23:00 Capitol One, P.O. Box 85147,
Richmond, VA 23276-8447
3930840 +EDI: CHASE.COM Sep 10 2007 16:24:00 Chase Manhattan Bank, P.O. Box 15583,
Wilmington, DE 19880-2834
3930842 +EDI: DISCOVER.COM Sep 10 2007 16:24:00 Discover Financial, P.O. Box 15251,
Wilmington, DE 19880-2834
4153963 +EDI: ECMC.COM Sep 10 2007 16:24:00 ECMC, P.O. Box 8808, Richmond, VA 23225-0509
3930844 +EDI: TSYS2.COM Sep 10 2007 16:24:00 Fashion Bug, P.O. Box 410, Milford, OH 45150-9010
3930846 +EDI: AMNFORP.COM Sep 10 2007 16:24:00 First Premier, 900 N Delaware, P.O. Box 5524,
Sioux Falls, SD 57101-5524
4149889 +EDI: IRS.COM Sep 10 2007 16:24:00 INTERNAL REVENUE SERVICE, 182 S Elmwood Avenue/2nd FL,
Buffalo, NY 14207
3930843 +EDI: PROVID.COM Sep 10 2007 16:24:00 Provident National Bank, P.O. Box 9150,
Pleasanton, CA 94566-9150
4155414 +EDI: RESURGENT.COM Sep 10 2007 16:23:00 RESURGENT CAPITAL SERVICES, LVNV FUNDING LLC,
PO BOX 10587, GREENVILLE, SC 29603-0587
3930839 +EDI: USDAHHS.COM Sep 10 2007 16:24:00 UNITED STATES DEPARTMENT OF AGRICULTURE,
CENTRALIZED SERVICES CENTER, RURAL HOUSING, PO BOX 66879, ST LOUIS, MO 63166-6879
3930839 +EDI: USDAHHS.COM Sep 10 2007 16:24:00 USDA RURAL HOUSING SERVICE,
CENTRALIZED SERVICES CENTER, USDA, PO BOX 66879, ST LOUIS, MO 63166-6879

District/off: 0208-4
Case: 05-37489

User: gcolon
Form ID: bl8w

Page 2 of 2
Total Served: 62

Date Rcvd: Sep 10, 2007

The following entities were served by electronic transmission (continued)

3930874 +EDI: USDARHS.COM Sep 10 2007 16:24:00
Saint Louis, MO 63166-6827

USDA Rural Housing Service, P.O. Box 66827,

TOTAL: 15

***** BYPASSED RECIPIENTS (undeliverable, - duplicate) *****

clrk
acy-

Clerk of the Court

+Jeffrey L. Sapir-13, As Chapter 13 and 12 Trustee, 399 Knollwood Road,
White Plains, NY 10601-1936

Suite 102,

TOTALS: 1, * 1

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speotjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Sep 12, 2007

Signature:



**FACSIMILE COVER SHEET**

U.S. ATTORNEY'S OFFICE, SDNY
86 Chambers Street, 3rd Floor
NEW YORK, NY 10007

From: **Wendy Waszmer, Assistant United States Attorney**

Office Phone No.: **(212) 637-2729**

Fax Number: **(212) 637-2717**

No. pages (including cover sheet):

Date sent: **October 11, 2007**

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To: **Chambers of the Honorable George A. Yanthis, United States Magistrate Judge**

Office Phone No.: _____

Fax Number: **(914) 390-4093**

Remarks: **United States v. Urap, et al., 05 Civ. 5399 (KMK) (GAY)**